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July 16, 2015

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Via ECFS

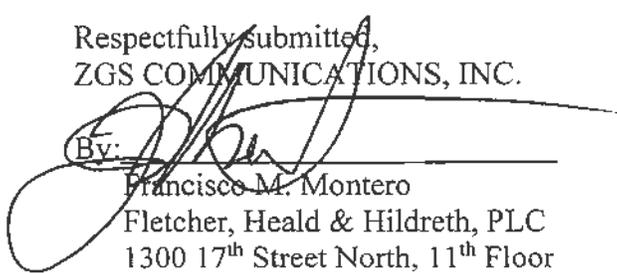
Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: *Ex Parte* Letter: AT&T and DirecTV Merger Proceeding, MB Docket No. 14-90**

Dear Ms. Dortch:

On July 14, 2015, Ronald Gordon, Chief Executive Officer of ZGS Communications, Inc. ("ZGS"), Cynthia Martinez, also a management-level official of ZGS, and Francisco Montero of the law firm of Fletcher, Heald & Hildreth, PLC, met with Ali Zayas, Chad Guo and Jazmine Dorsey of the Media Bureau and Elizabeth Andrion of the Office of Strategic Planning. During this meeting, ZGS and the Commission parties discussed the attached letters and presentation regarding the refusal of DirecTV to carry ZGS's Spanish-language, local programming.

Respectfully submitted,  
ZGS COMMUNICATIONS, INC.

By: 

Francisco M. Montero  
Fletcher, Heald & Hildreth, PLC  
1300 17<sup>th</sup> Street North, 11<sup>th</sup> Floor  
Arlington, Virginia 22209

Counsel for ZGS Communications, Inc.

Enclosure

cc: Ali Zayas, Chad Guo and Jazmine Dorsey, Media Bureau (w/encl.)  
Elizabeth Andrion, Office of Strategic Planning (w/encl.)

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July 13, 2015

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**Via ECFS**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: ***Ex Parte Letter: AT&T and DirecTV Merger Proceeding,  
MB Docket No. 14-90***

Dear Ms. Dortch:

On July 10, 2015, the undersigned counsel to ZGS Communications, Inc. ("ZGS"), had a telephone conversation with James Bird, Esquire, head of the Transaction Team (the "Team") in the General Counsel's Office at the Federal Communications Commission ("FCC"), which referred to a prior letter to the Team seeking a meeting regarding the June 29, 2015 letter in Docket 14-90.

Mr. Bird was informed that the purpose of the meetings is to seek Commission assistance in a long-standing dispute between ZGS and DirecTV. Despite numerous efforts over a long period by ZGS to persuade DirecTV to retransmit ZGS Class A Spanish-language stations in major markets across the country, the latter has steadfastly refused to do so and has refused to offer a detailed rationale for such refusal.

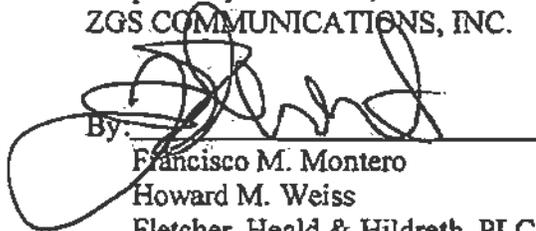


Marlene H. Dortch, Secretary  
Re: AT&T and DirecTV Merger Proceeding  
July 13, 2015  
Page 2

Counsel for ZGS further advised Mr. Bird that DirecTV's refusal has negatively impacted hundreds of thousands of DirecTV's Latino subscribers in the major markets where they live. Most importantly, ZGS has faithfully observed the Commission's mandate for Class A stations; namely, the provision of cable produced programs serving local viewers. ZGS does this in every market it serves. It provides Latino viewers copious amounts of news, public affairs, and public safety programming in their language and geared to their culture and way of life. This is precisely the type of programming the Communications Act has required and the FCC has demanded of licensees. DirecTV's position flies in the face of this mandate.

Accordingly, counsel advised Mr. Bird that ZGS respectfully requests that the Commission focus on this dilemma and assist in persuading DirecTV and, if the merger is approved, AT&T, to address this matter. Further, ZGS seeks Commission efforts to assist in brokering a settlement between DirecTV and ZGS regarding carriage.

Respectfully submitted,  
ZGS COMMUNICATIONS, INC.

By: 

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Counsel for ZGS Communications, Inc.

Enclosure

cc: James Bird, Esquire, FCC, General Counsel's Office (w/encl.)



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JUN 29 2015

Federal Communications Commission  
Bureau / Office

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AND RETURN  
THIS COPY TO  
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Re: MB Docket No. 14-90. In the Matter of Applications of AT&T, Inc. and DirecTV For Consent to Assign or Transfer Control of Licenses

Dear Chairman Wheeler and Fellow Commissioners:

ZGS Communications, Inc. and its affiliates (collectively "ZGS"), licensees of Class A television stations serving communities across the United States, and the largest independent affiliate of the Telemundo network, respectfully submit this letter in the above-referenced docket. For over twenty five (25) years, ZGS, pursuant to statutory requirement and Commission rule, has been a licensee of the FCC, creating and broadcasting local Spanish-language news and programming tailored to meet the needs and interests of the Latino community. This local content is essential to the lives of an informed and engaged community, as well as our nation's democracy. But, ZGS has been denied carriage on DirecTV satellite systems serving millions of Latino subscribers in major television markets. Thus, our ability to effectively serve our viewers and communities has been greatly hampered, inhibiting our ability to satisfy the core obligation of all broadcast stations—to serve as an interactive community forum for local political, social, and economic dialogue. *See In The Matter of Broadcaster Localism*, 19 FCC Rcd 12425 (Comm. 2004).

DirecTV has systematically denied the Hispanic community access to its local stations, which provide daily news and public safety information, weather reports and emergency notices, as well as extensive programming of local interest to the community. Furthermore, DirecTV has continuously misled potential and existing subscribers by advertising that it carries all local stations, when in fact, it does not. Finally, by not carrying the local Telemundo affiliate, DirecTV provides its Hispanic subscribers a lower level of service – a Standard Definition signal, instead of the HD-quality signal enjoyed by English language viewers.

ZGS is Hispanic-owned and operated, unfortunately one of the very few Latino-owned and operated group broadcasters in the country. The company owns the following Class A stations: WTMO-

CD, Orlando, FL, WKME-CD, Kissimmee, FL, WMVJ-CD, Melbourne, FL, WRMD-CD, Tampa, FL, WWDT-CD, Naples, FL, WZDC-CD, Washington, DC, WZGS-CD, Raleigh, NC, WRDM-CD, Hartford, CT, WRIW-CD, Providence, Rhode Island. ZGS also owns full power and LPTV stations. Over the years, ZGS has invested millions of dollars in producing high quality local Spanish-language news and programming at the stations it operates. Latino viewers who tune to ZGS stations have real time access to news, public safety and emergency information, weather reports, and other programming of local interest, all designed to address the needs and issues that impact the Hispanic community and celebrate the rich traditions and heritage of our community. In almost every market, ZGS creates, produces and airs the most local programming of any Spanish-language station and in many cases produces and airs more local programming than its English-language counterparts. Our commitment to local news is unparalleled, and our quality recognized by the numerous Emmy nominations and awards our news programming has received over the years. Our programming and community engagement have helped us achieve high ratings. We are often the #1 rated Spanish-language station in the market.

Not surprisingly, given our programming, news and significant local engagement, ZGS has secured near-universal carriage of its stations on cable, telephone carriers, and satellite in most of its markets. The one exception, in total disregard of its corporate and civic responsibilities, is DirecTV which continues to dismiss and underserve the Hispanic community in multiple important markets. Our stations in Florida, WTMO-CD in Orlando, FL, WRMD-CD in Tampa, FL, WWDT-CD in Ft. Myers/Naples, as well as in WRDM-CD in Hartford, CT and WZDC-CD in Washington, DC - are leading stations and serve markets with significant Hispanic communities, and yet, despite numerous and on-going attempts, ZGS has experienced extraordinary difficulty in securing DirecTV carriage, which in turn denies a large number of Latino viewers and subscribers access to their local stations.

This proceeding, in which the Commission is being asked to pass on a merger of DirecTV into AT&T Inc. ("AT&T"), offers an opportunity for ZGS to secure FCC - and satellite operator - focus on the local programming/ carriage dilemma. ZGS takes no position of whatever kind on the public interest merits of the merger or whether it should be approved. Rather, ZGS respectfully requests that, in performing its duty to evaluate the complex communications, telecommunications, and antitrust issues raised by the merger proposal, the Commission carefully survey the communications landscape with a view toward promoting full service to minority communities, and diversity of ownership and voices in the industry. AT&T ought to take cognizance of the needs and interests of the local Latino audiences it will serve and the quality programming ZGS offers should the merger be approved. At a minimum, the Commission should strongly urge the powerful AT&T-DirecTV monolith to give serious consideration to fully and effectively serving local communities, and address ZGS' longstanding carriage request.

The Commission should instruct staff familiar with the parties and the issues here to encourage more flexibility on the merged satellite company's part and, if necessary, to take affirmative steps to facilitate further talks between ZGS and DirecTV. The merger may proceed ahead on a timely timeline, if that is what the Commission determines is the proper outcome. But the fundamental programming/carriage issues we raise here should receive a long-delayed and comprehensive review by AT&T and the Commission. Our proposed approach would lead to a "win, win, win" outcome for the satellite companies, ZGS, and most importantly, the viewing public. The public interest and DirecTV's private interest intersect here; - DirecTV can do well by doing right.

DirecTV's rigid position on carriage severely inhibits ZGS' ability to accomplish the objectives of Title III of the Communications Act, as interpreted and enforced by the Commission. In *Localism, supra*, the Commission reiterated that "the concept of localism derives from Title III of the Communications Act." *Localism, supra* at 12426. As the Supreme Court observed in *FCC v. Attentown*

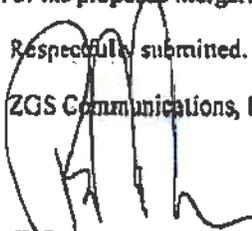
*Broadcasting Corporation*, 349 U.S. 358, 362 (1955): "Fairness to communities [in distributing radio services] is fostered by a recognition of local needs for a community radio mouthpiece." The Commission has followed Congress' and the Supreme Court's lead:

"As with competition and diversity, localism has been a cornerstone of broadcast regulation for decades. Broadcasters, who are temporary trustees of the public's airwaves, must use the medium to serve the public interest, and the Commission has consistently interpreted this to mean that licensees must air programming that is responsive to the interests and needs of their communities of license. Even as the Commission deregulated many behavioral rules for broadcasters in the 1980s, it did not deviate from the notion that they must serve their local communities." *Localism, supra* at 12425.

We are a very committed and proud Latino broadcaster. We regard our FCC licenses as embodying a responsibility and a duty to effectively serve our communities. We are doing our part by being the very best local broadcaster we can be. It is only fair and right that Latino audiences be offered the same level of commitment and service by DirecTV. This is the least the "public interest" demands of DirecTV and other MVPDs. Therefore, the Commission should broker a mutually-acceptable settlement between DirecTV or DirecTV's successor (AT&T) and ZGS, contemplating retransmission of ZGS' stations in every market prior to federal approval of the proposed merger.

Respectfully submitted,

ZGS Communications, Inc.

  
By: Ronald Gordon  
Chief Executive Officer

June 29, 2015



# AT&T and DIRECTV Local Carriage Commitment “The Right Thing to Do”

July 8, 2015

# ZGS AT-A-GLANCE

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- Strong and successful Spanish-language TV operator for 30 years with a solid reputation for excellence
  - Strong operations, dedicated teams
  - Continuous investment in local content and stations
- Dedicated to localism
  - Quality local news in top markets
  - More local programming than any other Spanish broadcaster
  - Extensive community service – our mission and responsibility
  - Strong civic engagement
- 25-year affiliate partnership with Telemundo
- Only Hispanic-owned TV broadcast group in the U.S.
  - 180+ employees, 94% are female and/or minority
  - Strong commitment to diversity and developing media professionals

# SERVING OUR LOCAL COMMUNITIES

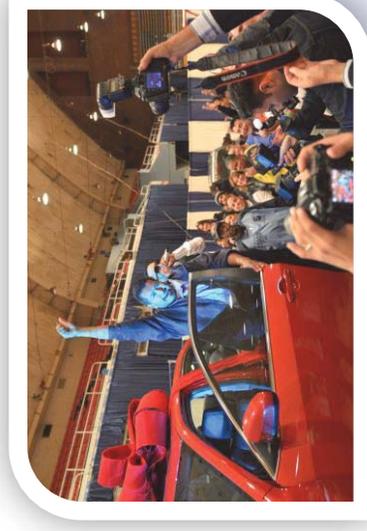
- Local early and late news in Top 20 markets
  - Highest journalistic standards to inform and educate the Hispanic community
  - Public safety and emergency notices
  - Up-to-the-minute weather reports
  - Award-winning local newscasts
- Culturally relevant and community affairs programming
  - Agenda
  - **holaciudad teve!**
  - Línea Directa
  - Telediario
  - Telenoticias Xtra
  - Two Zona
  - ...and much more!



*“La Voz de la Comunidad” – The Voice of our Community*

# SERVING OUR LOCAL COMMUNITIES

- Civic engagement and public service initiatives
  - *Vota por tu Futuro* – registration and GOTV
  - Affordable Care Act Town Halls
  - Línea de Ayuda – Help Line
  - Buena Vida Health Expo
  - Education
    - Hispanic Heritage Scholarship Award
    - *Educación a su alcance*
- Celebration of Hispanic heritage and culture
  - La Feria de la Familia
  - Fiesta de las Madres
  - Hispanic Heritage Festivals
  - ... and much more!

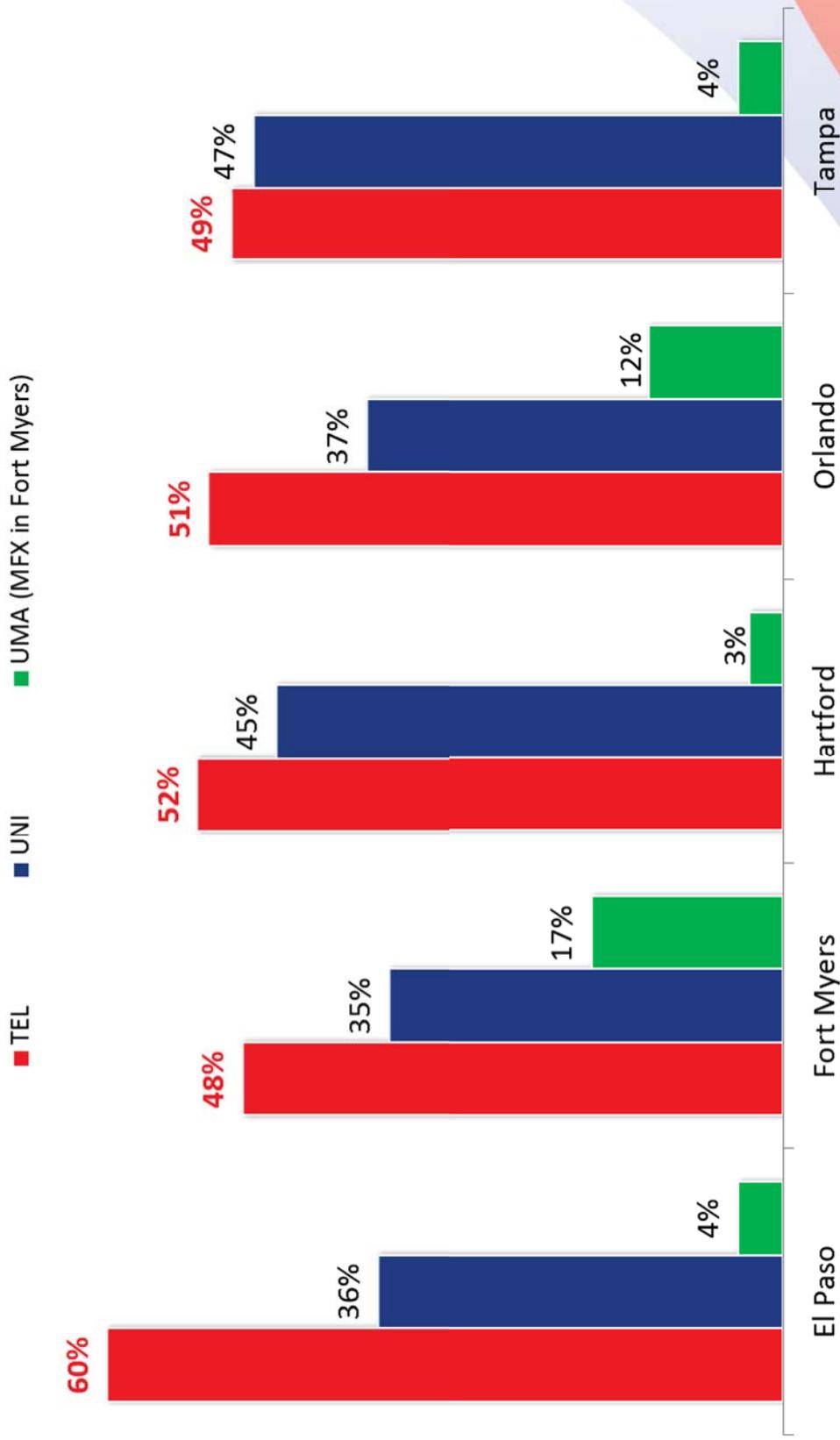


# ZGS STATION GROUP RATINGS HIGHLIGHTS

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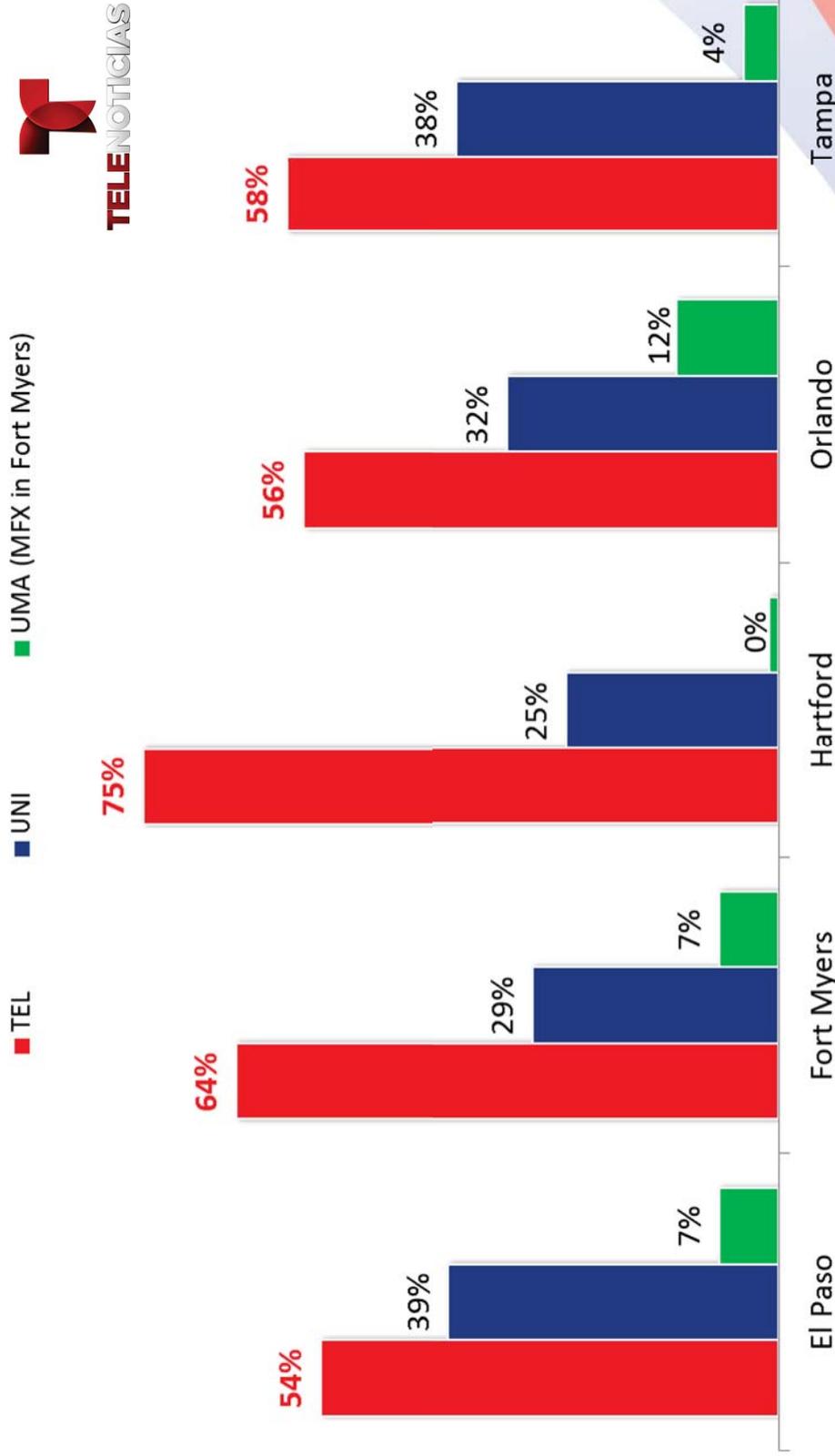
- ZGS stations are local news leaders
- WTMO is the #1 Spanish-language station in Orlando sign-on to sign-off and primetime among major demos
- WRMD leads all Spanish language stations in Tampa in primetime, and has the #1 Spanish-language newscast at 6pm and 11pm
- KTDO is El Paso's #1 station in primetime, regardless of language
- WWDT is the #2 broadcast station in Fort Myers in primetime, regardless of language
- WRDM is the Spanish-language leader in Hartford in primetime among key demos

# ZGS STATIONS LEAD PRIMETIME VIEWING IN KEY MARKETS



Source: Nielsen NSI 7 M-F 6-10pm (El Paso) and M-F 7-11pm. May Sweeps 2015. Based on A25-54. Spanish share calculation includes each market's local Telemundo, Univision, and UniMas station, except for Fort Myers which does not include UniMas, but MundoFox.

# ZGS LOCAL NEWS IS THE PREFERRED SPANISH-LANGUAGE NEWSCAST IN SEVERAL MARKETS



# DIRECTV'S FAILURE TO SERVE

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- Systematic refusal to fully serve the Hispanic community
  - Over 12 years of effort to secure carriage
  - Multiple reasonable proposals – no fees, marketing support
  - Sizeable communities denied service
- Only Hispanic community denied local service
  - Only television station with local news NOT carried in market
  - Carry network signal in SD rather than local station in HD
- Marketing efforts misrepresent local station carriage
- Almost all other MVPDs carry ZGS stations

***Class A – A poor excuse to deny the Hispanic community local service***

# DIRECTV SHOULD DO THE RIGHT THING

---

- DirecTV should commit to fully serving Hispanic communities
- Commit to fairly evaluate local carriage options
  - Consider:
    - Size of Hispanic population in market
    - Stations that produce local news and programming
    - Number of locally active Spanish stations
    - Relative audience shares
- All top local stations should be in DirecTV lineup
- FCC should demand that DirecTV stop denying Hispanic consumers local service